

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL  
FROM: THE CITY MANAGER'S OFFICE

COUNCIL MEETING DATE: MARCH 21, 1990

SUBJECT: CONSIDER COMPUTER SYSTEM UPGRADE--LEASE PURCHASE OF IBM AS/400

RECOMMENDATION: That the City Council approve the lease purchase of an IBM AS/400 Model P45 Computer System and authorize the City Manager to sign the agreement.

BACKGROUND INFORMATION: During the 1989-90 Budget study sessions, the Finance Department requested approval to upgrade the City's IBM System/36 Computer located in City Hall. Two months' cost of a lease/purchase was requested for the purchase of an IBM AS/400 Computer System with the model to be determined at a later date. IBM has completed a "sizing" of the City's needs by analyzing the highest volume of activity of the present System/36 computer operations. They determined an AS/400 Model P45 would handle our needs and submitted the attached financing proposal. The City's M.I.S. Committee has recommended the upgrade to the AS/400 Computer System.

With the above information in mind, and, with the information presented at the March 13, 1990 Shirtsleeve Session, it is respectfully requested that City Council approve the computer system upgrade.

Respectfully submitted,

Approved,

  
Robert H. Holm, Finance Director

  
Thomas A. Peterson, City Manager

RHH:ss

Attachment

CC/CMPTR/CO.COMM

## Financing Breakdown

<u>Hardware &amp; Software</u>	= \$ 191,191.00
W/Defer Int 7.8% x 3 Mo	= \$ 194,944.00
Payment:	
\$ 194,944 @ 7.8% x 57 Mo	= \$ 4,104.00 per mo
<u>Extended Maint Option</u>	= \$ 17,553.00
w/Defer Int 7.8% x 3 Mo	= \$ 17,903.00
Payment:	
\$ 17,903 @ 7.8% x 57 Mo	= \$ 377.00 per mo
<u>Uninterruptible Power Sply</u>	= \$ 14,690.00
w/Defer Int 7.8% x 3 Mo	= \$ 14,979.00
Payment:	
\$ 14,979 @ 7.8% x 57 Mo	= \$ 316.00 per mo
<u>Data Migration Facility</u>	= \$ 4,463.00
w/Defer Int 7.8% x 3 Mo	= \$ 4,551.00
Payment:	
\$ 4,551 @ 7.3% x 57 Mo	= \$ 96.00 per mo
<hr/>	
Payment:	
<u>Total Package</u>	= \$ 4,892.00 per mo